

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Number Resource Optimization)	CC Docket No. 99-200
)	
Implementation of the Local Competition)	CC Docket No. 96-98
Provisions of the Telecommunications)	
Act of 1996)	CC Docket No. 95-116
)	
Telephone Number Portability)	

**REPLY COMMENTS OF
IOWA TELECOMMUNICATIONS SERVICES, INC.**

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SUMMARY

Iowa Telecommunications Services, Inc. (“Iowa Telecom”) provides its reply to the initial comments that were filed in this proceeding on May 6, 2002. These comments address the proposals in the Commission’s Third Further Notice of Proposed Rulemaking in CC Docket 99-200 and Second Further Notice of Proposed Rulemaking in CC Docket 95-116, which was released on March 14, 2002 (“Third NPRM”). The Third NPRM proposed to mandate the deployment of local number portability (“LNP”) or number pooling in the 100 largest Metropolitan Statistical Areas (“MSAs”), to split number pooling from LNP deployment, and to expand LNP and number pooling to areas outside the largest 100 MSAs, but to offer certain limited exemptions to rural carriers.

Iowa Telecom agrees with the significant majority of carriers and industry associations that have filed comments in this proceeding that the Commission should not mandate the unwarranted blanket deployment of LNP and number pooling, as proposed in the Third NPRM. While competition and number conservation are important goals, it would be pointless to force carriers to participate in LNP or number pooling in circumstances where there is neither a request by a competitor for LNP nor numbering shortages, and where the deployment of such measures will not improve conditions in other parts of an MSA. The Commission should retain its current policies and continue to require LNP deployment in response to a specific, *bona fide* request from another carrier. Since number pooling is based on the same location routing number (“LRN”) system architecture as LNP, number pooling therefore should also not be mandated in the absence of a *bona fide* request for LNP. In addition, the parties favoring blanket deployment of LNP and number pooling, or the separation of number pooling from LNP

capabilities, fail to offer rational or compelling reasons for these changes to the Commission's policies.

The comments in this proceeding do not support the Third NPRM's proposal that splitting number pooling from LNP deployment would be technically feasible or cost effective. To the contrary, the difficulties of implementing such a proposal are under active dispute in a separate Commission proceeding, and the record in that proceeding demonstrates that such a requirement should not be adopted here.

Iowa Telecom and other parties continue to oppose extending LNP or number pooling deployment outside the 100 largest MSAs, such as to "Combined Metropolitan Statistical Areas" ("CMSAs"), when there has not been a *bona fide* request for LNP.

The record supports an exception for rural and two percent carriers from LNP and number pooling that is broader than the narrow proposal in the Third NPRM. Many commenting parties, including Iowa Telecom, have demonstrated that such rural and two percent carrier exemptions would serve the public interest. The opponents of such exceptions fail to articulate a compelling policy for refusing them. Iowa Telecom opposes suggestions that the FCC should cede control over such exemptions to state regulators, as a national policy is needed to avoid the conflicts, uncertainties and inefficiencies inherent in a case-by-case regulatory scheme.

Lastly, Iowa Telecom provides for the record an amended set of cost projections demonstrating the extensive financial burden it would suffer if it were prematurely mandated to implement LNP and number portability in the absence of a *bona fide* request for LNP.

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Iowa Telecommunications Services, Inc. (“Iowa Telecom”) respectfully submits its reply comments concerning the Third Further Notice of Proposed Rulemaking in CC Docket 99-200 and Second Further Rulemaking in CC Docket 95-116, which was released March 14, 2002 (“Third NPRM”). Iowa Telecom is part of the majority of parties which have submitted comments demonstrating that the Third NPRM’s proposed mandates concerning local number portability (“LNP”) and thousands-block number pooling (“number pooling”) would adversely impact the public interest. As discussed below, the initial comments filed in this proceeding demonstrated that the Third NPRM’s proposals are poorly considered, would be prohibitively expensive for rural and two percent carriers to implement, and would not serve the public interest. Iowa Telecom also submits for the record additional financial information addressing the Third NPRM’s proposals, including corrections to its initial cost projections.

I. The Comments Demonstrate That the Commission Should Not Mandate the Blanket Deployment of LNP and Number Pooling

Iowa Telecom is part of the significant majority of parties in this proceeding that recommend that the Commission refrain from adopting its LNP and number pooling proposals.¹ As these initial comments demonstrated, the Third NPRM has not offered an adequate public interest justification for changing the Commission's current policies. Moreover, these comments offer sound practical and policy reasons why the Commission should not mandate the blanket deployment of LNP and number pooling within the largest 100 MSAs. The Commission's decisions must be supported by the record. It can not evade these problems with unsupported generalizations that the Third NPRM's proposals are "pro-competitive" and "benefit consumers." The public interest analysis that is required to support a dramatic policy change is not present in this case.

The Commission currently requires carriers to deploy LNP in response to a specific and *bona fide* portability request from a competing carrier. In turn, carriers are currently required to implement number pooling only if they are capable of providing LNP, in response to a specific event such as a number resource shortage. The Third NPRM has proposed altering these standards, so that carriers in the largest 100 MSAs would be required to implement LNP regardless of whether they have received a request

¹ See Comments of Iowa Telecommunications Services, Inc. at 2-8, 10-14; Comments of the National Exchange Carrier Association, Inc. ("NECA"), The National Rural Telecom Association ("NRTA"), and the Organization for the Promotion and Advancement of Small Telecommunications Companies ("OPASTCO") at 2-4; Comments of the United States Telecom Association ("USTA") at 3; Comments of the Rural Cellular Association at 2-5; Comments of AT&T Wireless Services ("AT&T Wireless") at 2-5; Comments of Western Wireless Corporation ("Western Wireless") at 8-11; Comments of the Cellular Telecommunications and Internet Association ("CTIA") at 2-4; and Comments of TDS Telecommunications Corporation ("TDS Telecom") at 2-6. In addition, four other parties oppose the Third NPRM's proposals specifically as they would apply to rural and/or wireless telecommunications carriers. See Comments of the Independent Companies at 2-4; Comments of the New York State Telecommunications Association, Inc. ("NYSTA") at 6-11; Comments of VoiceStream Wireless Corporation ("VoiceStream") at 3-4; and Comments of Mid-Missouri Cellular at 5-10.

from any competitor. The Third NPRM has also proposed requiring carriers to participate in number pooling in the largest 100 MSAs regardless of whether they are LNP-capable.

Most of the carriers and all of the industry associations that filed initial comments in this proceeding recommend against the adoption of the Third NPRM's proposals.² These comments demonstrate that mandating the deployment of LNP and number pooling before there is a need for these capabilities will actually harm the public interest, since carriers would be forced to spend large amounts of money without any benefit.³ Instead, the commenters agree that the Commission's prior justifications for basing LNP on a carrier request still remain valid: it targets expenditures, alleviates unnecessary burdens on small carriers, fosters more efficient deployment, network planning and testing, and reduces overall carrier costs.⁴

Cost and utility have previously been primary factors in Commission decisions concerning LNP and number pooling. They should remain so. As Iowa Telecom and other commentors point out, however, the Third NPRM contains absolutely no analysis of the costs and benefits of its deployment proposals.⁵ This is a serious and fundamental

² See Comments of Iowa Telecommunications Services, Inc. at 2-8, 10-14; NECA/NRTA/OPASTCO Comments at 2-4; USTA Comments at 3; Comments of the Rural Cellular Association at 2-5; AT&T Wireless Comments at 2-5; Western Wireless Comments at 8-11; CTIA Comments at 2-4; and TDS Telecom Comments at 2-6.

³ See Iowa Telecom Comments at 5-10; AT&T Wireless Comments at 3-5; NTCA Comments at 3-5; Rural Cellular Association Comments at 2-3; Independent Companies Comments at 2-3; TDS Telecom at 2-3.

⁴ See, e.g., AT&T Wireless Comments at 4, citing In the Matter of Telephone Number Portability, First Memorandum Opinion and Order on Reconsideration, 12 FCC Rcd 7276 (1997) ("LNP Reconsideration Order").

⁵ See Iowa Telecom Comments at 5-10; Rural Cellular Association Comments at 3-4; USTA Comments at 3-5; AT&T Wireless Comments at 3-4; Western Wireless Comments at 10.

defect. The initial comments filed by Iowa Telecom and other parties make clear that deploying LNP and number pooling capabilities in the manner proposed by the Third NPRM would be extremely expensive, and would require the subject carriers to substantially upgrade or replace their switching equipment.⁶ Iowa Telecom's costs for converting just seven switches would exceed \$1 million. TDS Telecom estimates that its deployment costs in the largest 100 MSAs would be approximately \$8 million.⁷ Western Wireless estimates that its LNP-related costs will exceed \$6 million.⁸ In turn, a survey of NYSTA's members estimated that deployment costs would average \$100,000 per company, and could range as high as \$250,000.⁹ Although this record remains under development, and although many carriers have clearly not yet had a chance to estimate their compliance costs, Iowa Telecom believes that there is strong reason to believe that other carriers would experience similarly onerous financial burdens.

Iowa Telecom agrees with Western Wireless that rural carriers would be particularly burdened by such deployment costs, since their per-customer costs would increase more than those of their competitors.¹⁰ In the case of Iowa Telecom, and likely other rural and two percent carriers,¹¹ these expenditures would likely be wasted, since

⁶ See USTA Comments at 2-5; AT&T Comments at 4-5; Rural Cellular Association Comments at 2-5; NECA/NRTA/OPASTCO Comments at 4; Western Wireless Comments at 9.

⁷ See TDS Telecom Comments at 4. As TDS Telecom correctly points out, this figure does not completely capture the full extent of the financial burden on its operations, or the disruptive impact the proposals would have on its operations. Id.

⁸ See Western Wireless Comments at 5.

⁹ See NYSTA Comments at 9.

¹⁰ See Western Wireless Comments at 5-6.

¹¹ A "two percent" carrier is defined by Section 251(f)(2) of the Communications Act as a local exchange carrier that serves less than two percent of the nation's access lines, and therefore qualifies for certain exemptions from Section 251's general requirements. See 47 U.S.C. § 251(f)(2).

many of the switches that they use to serve the areas subject to the Third NPRM's proposals are scheduled to be replaced in the next several years.¹²

Iowa Telecom disagrees with the Iowa Utilities Board's assertion that no "small carriers in rural areas" operate within the largest 100 MSAs.¹³ Iowa Telecom demonstrated in its initial comments that it qualifies as a rural carrier, but nonetheless serves multiple exchanges within several MSAs that are subject to LNP and number pooling in the largest 100 MSAs.¹⁴ Coupled with its rural status, Iowa Telecom's detailed breakout of its exchange-by-exchange deployment costs for LNP and number pooling refutes the Iowa Utilities Board's assumption that the carriers serving the largest 100 MSAs can afford the price of LNP and number pooling upgrades without difficulty.

Iowa Telecom also agrees with Western Wireless and TDS Telecom that the Third NPRM's proposals would require the diversion of resources from investments that directly benefit consumers, such as new services and equipment upgrades, and would conflict with other priorities such as CALEA compliance and E911 deployment.¹⁵

Iowa Telecom agrees with CTIA and the NYSTA that since LNP can only take place between carriers inside the boundaries of a single rate center, and since pooled number resources can only be used in the rate center to which they are assigned, the Third NPRM's LNP and number pooling proposals will not benefit competition or number resource conservation in the rest of the MSA.¹⁶ These facts seriously undermine

¹² See Iowa Telecom Comments at 11-14.

¹³ See Iowa Utilities Board Comments at 2.

¹⁴ See Iowa Telecom Comments at 10-14.

¹⁵ See TDS Telecom Comments at 4 and Western Wireless Comments at 5-6.

¹⁶ See Iowa Telecom Comments at 7; CTIA Comments at 4 and NYSTA Comments at 8.

the Third NPRM's rationale that blanket LNP and number pooling deployment will promote competition through the efficient use of number resources in the more urban portions of an MSA, and represent one more reason why the proposals should be reconsidered or rejected.

Iowa Telecom also agrees with NECA, NRTA and OPASTCO and TDS Telecom that that the blanket deployment of LNP would conflict with Section 251(b) of the Communications Act.¹⁷ Congress did not intend Section 251(b)'s obligations to apply in a vacuum. Instead, measures such as LNP are specifically triggered by a request from another carrier.¹⁸ Section 251(c)(1) of the Communications Act contemplates that two carriers will negotiate an interconnection agreement "to fulfill the duties described in paragraphs (1) through (5) of subsection (b)," which includes the duty to provide number portability. According to Section 252 of the Communications Act, state commissions must approve these interconnection agreements or arbitrate any open issues. The LNP policies proposed in the Third NPRM therefore appear to exceed the bounds of the Communications Act, and would stand on uncertain legal ground.

None of the parties that support the Third NPRM's LNP and number pooling proposals address these problems, nor do they offer sound, specific or compelling reasons why these policy changes are necessary. Most of these commenters simply adopt the Third NPRM's unsupported conclusions as their own, without offering their own policy

¹⁷ See Iowa Telecom Comments at 6; NECA/NRTA/OPASTCO Comments at 4 and TDS Telecom Comments at 4.

¹⁸ Id.

arguments or factual information, and therefore repeat the Third NPRM's errors.¹⁹

WorldCom's comments assert that "the fact that a carrier may not have received an LNP request for a particular switch should not be a barrier to LNP deployment."²⁰ As support, WorldCom claims that the "implementation of LNP by wireless carriers, scheduled to occur later this year, is likely to create new demand for LNP, even in areas where wireline CLECs have not entered."²¹ The reasoning behind this statement is entirely circular. LNP deployment does not create the "demand" for more LNP. It is supposed to be deployed in response to need and demand, as clearly stated in Section 251(b) of the Communications Act and in the Commission's current policies. Moreover, as Iowa Telecom showed in its comments, idle LNP capabilities do not generate competition or otherwise benefit the public interest on their own.²²

Iowa Telecom therefore disagrees with the Iowa Utilities Board and the Public Utilities Commission of Ohio ("PUCO") that LNP deployment serves important policies in the absence of a *bona fide* request.²³ Deploying LNP before a demand exists for it will not in itself "promote" competition, and deployment of LNP does not in itself serve "important competitive goals" if no competitor has requested it. Likewise, deploying

¹⁹ See, e.g., National Association of State Utility Consumer Advocates Comments at 2-7; California Public Utilities Commission ("CPUC") Comments at 4-13; Michigan Public Service Commission Comments at 3-6; Public Utilities Commission of Ohio ("PUCO") Comments at 2-4; WorldCom, Inc. Comments at 2.

²⁰ See WorldCom Comments at 2.

²¹ Id. (arguing that the Commission should "reinstate its original mandate" for blanket LNP deployment in the largest 100 MSAs in order to benefit competition).

²² See Iowa Telecom Comments at 6.

²³ See Iowa Utilities Board Comments at 2 (asserting that "in order to promote full and effective competition, and to be competitively neutral, all carriers in the largest 100 CMSAs need to be LNP-capable") and PUCO Comments at 4 (asserting that "LNP serves important competition goals").

number pooling in an exchange before a competitor has requested LNP serves no purpose, and will not resolve any number resource shortages that may exist in the rest of the MSA.

Iowa Telecom acknowledges the Iowa Utilities Board's concerns that certain CLECs may be circumventing LNP by ordering blocks of numbers that are similar to those used by the ILECs, and then offering their customers new telephone numbers that share the same last four digits as their current phone number.²⁴ This ordering and assignment practice by the CLECs may frustrate the Iowa Utilities Board, but it appears to be legitimate under current numbering guidelines. It is not clear how large this problem might be, or what the scale of any resulting inefficiencies may be (since the last four digits of the ILECs' numbers can be re-used). Without more, these practices do not present a compelling reason for blanket LNP and number pooling deployment, especially in light of their high cost.

The proposals in the Third NPRM would represent a substantial and unwarranted departure from the current Commission policies on LNP and number pooling. What is more, the initial comments in this proceeding demonstrate that there is no compelling need for this policy shift, that the Third NPRM's underlying assumptions are unfounded, and that there are in fact sound policy grounds for rejecting these proposals. The Commission should therefore conserve the industry's resources, and continue to focus LNP deployment on exchanges where carriers have received a *bona fide* request for portability. Likewise, the Commission should continue to limit number pooling

²⁴ Id. at 2-4.

deployment to LNP-capable exchanges, to ensure that money is not wasted and that its deployment will actually benefit competition and consumers.²⁵

II. The Record Does Not Support Splitting the Deployment of LNP and Number Pooling Capabilities

LNP and number pooling both use the same underlying location routing number (“LRN”) architecture. Until now, LNP capability has been widely viewed both by regulators and by the telecommunications industry as a precondition of implementing number pooling.²⁶ However, the Third NPRM has proposed splitting number pooling deployment from LNP, based on unfounded suggestions that such a split might be technically feasible and cost effective, and will promote “further number resource optimization.”²⁷

The Third NPRM’s proposal to deploy number pooling independent of LNP is apparently based on disputed claims made in a separate proceeding that is pending before the Commission. Specifically, the Third NPRM cites a single forbearance petition filed in WT Docket 01-184 by Verizon Wireless for its preliminary conclusion that “full LNP capability is not necessary for pooling.” A review of Verizon Wireless’ petition shows, however, that it only made general allegations that LNP capabilities could be separated from other LRN-based network upgrades, and does not address technical or cost issues in

²⁵ Accord, NECA/NRTA/OPASTCO Comments at 4 (the pace of competitive entry into local markets should continue to determine the need for LNP implementation).

²⁶ See, e.g., Cellular Telecommunications Industry Association’s Petition for Forbearance From Commercial Mobile Radio Services Number Portability Obligation; Telephone Number Portability, Memorandum Opinion and Order, 14 FCC Rcd 3092, 3096-97 and 3113 (1999).

²⁷ See Third NPRM at 4.

detail.²⁸ On its own, Verizon Wireless' petition is therefore a dubious basis for the Third NPRM's conclusions. What is more striking, however, is that the Commission has actually received numerous conflicting comments, letters and studies on this issue in WT Docket 01-184, that many carriers dispute whether LNP can truly be separated from number pooling, and that there is doubt whether any true cost savings would result from a split.²⁹

Given that these are active disputes, the Commission can not use WT Docket 01-184 as the basis for concluding that separating number pooling from LNP deployment is cost effective or technically feasible. Moreover, the Commission should not attempt to use the Third NPRM as a vehicle to force the adoption of this separation proposal without considering the entire record developed in WT Docket 01-184. That would be arbitrary and capricious, and a prescription for a policy disaster.

Most of the initial comments in this proceeding that address splitting number pooling from LNP strongly criticize the proposal, and cast substantial doubt that such a split would be cost justified or technically feasible. Iowa Telecom, VoiceStream Wireless, and NECA, NRTA and OPASTCO all stress that LNP and number pooling require the same underlying LRN-based infrastructure, and that these fundamental and expensive upgrades can not be avoided if number pooling is deployed alone.³⁰ The Rural Cellular Association correctly points out that the comments filed in WT Docket 01-184

²⁸ See Verizon Wireless' Petition Pursuant to 47 U.S.C. Section 160 for Partial Forbearance From the Commercial Mobile Radio Services Number Portability Obligation, WT Dkt. No. 01-184, at 3-4 and 9-13 (filed Aug. 2, 2001).

²⁹ See, e.g., WT Docket No. 01-184. The docket currently contains over 600 documents addressing wireless LNP forbearance.

³⁰ See Iowa Telecom Comments at 8; VoiceStream Wireless Comments at 2-3; NECA/NRTA/OPASTCO Comments at 5-6.

show not only that these LRN upgrades are expensive, but also that there may not be significant cost savings to skipping over LNP deployment.³¹ What is more, Mid-Missouri Cellular indicates that it has previously submitted technical information to the Commission in WT Docket 01-184 demonstrating that carriers can not provide number pooling capabilities independent of LNP, due to technical issues concerning mobile identification number/mobile directory number (“MIN/MDN”) separation.³²

The claims by the Iowa Utilities Board, CPUC and PUCO that all carriers in the largest 100 MSAs should be required to participate in number pooling, regardless of their LNP status, are meritless and should be rejected. The states assert that mandatory number pooling will promote number resource conservation and prolong the life of the North American Numbering Plan (“NANP”).³³ The states omit, however, that the benefits of number pooling are limited to the boundaries of individual rate centers, and that deploying LNP in an exchange where it is not desired by a competitor will have no affect whatsoever on the NANP’s longevity. Contrary to the CPUC’s claims, “maximizing” participation in number pooling will not increase its benefits unless the pooling takes place in rate centers where there actually is a numbering shortage.³⁴ The PUCO also omits that the technical limitations of number pooling prevent the sharing of

³¹ See Rural Cellular Association Comments at 5.

³² See Mid-Missouri Cellular Comments at 10-11 and Declaration of Frank A. Rondinelli.

³³ See CPUC Comments at 10-13; Iowa Utilities Board Comments at 4-5; PUCO Comments at 7-8.

³⁴ See, e.g., CPUC Comments at 11.

number resources between separate rate centers inside an area code, much less inside an MSA.³⁵

Lastly, the CPUC's conclusion that all carriers should be required to participate in number pooling – on the basis that wireless carriers have told the FCC that LNP can be separated – merely parrots the Third NPRM's incorrect summary of the record in WT Docket 01-184 back to the Commission without any additional facts or analysis.³⁶ Since the Third NPRM itself is the source of the CPUC's belief, and since it has no independent basis, it can not be used to affirm the Third NPRM's separation proposal.

In conclusion, the issues of whether number pooling can be deployed without LNP, and whether such a deployment would be cost-justified or beneficial, is currently in dispute. No sound or legitimate record exists at this time for adopting the Third NPRM's proposal to split LNP from number pooling. The Commission therefore can not and should not proceed with the Third NPRM's proposal.

III. The Commission Can Not Justify Expanding LNP or Number Pooling to CMSAs

As Iowa Telecom stressed in its initial comments, it opposes any requirement that would require carriers to deploy LNP before they have received a portability request from another carrier or that would require them to deploy number pooling capabilities before there is a number resource shortage within the rate centers. Iowa Telecom therefore joins with CTIA, Western Wireless, TDS Telecom, United States Cellular and NYSTA in continuing to oppose the expansion of LNP or number pooling obligations to areas

³⁵ See PUCO Comments at 7-8 (arguing that all carriers should be required to implement LNP regardless of their size, type of carrier, or whether they have received a *bona fide* request for LNP, since “all carriers providing numbers to subscribers [need to] contribute to resolving number exhaust through conservation measures . . .”).

³⁶ Id.

outside the largest 100 MSAs, such as “Combined Metropolitan Statistical Areas” (“CMSAs”), where there has been no *bona fide* LNP request.

A CMSA combines several smaller MSAs into a single group.³⁷ While these smaller MSAs might qualify for ranking in the largest 100 MSAs as a combination, they often contain comparatively small communities that would not otherwise fall within the scope of the Third NPRM’s LNP and number portability requirements. By definition, a CMSA therefore encompasses areas which have less population density, and which are less likely to experience either LNP requests or numbering shortages.

Iowa Telecom therefore agrees with Western Wireless and CTIA that expanding the deployment of LNP and number pooling to include CMSAs will create even more confusion than currently exists about which areas of the nation are subject to the Commission’s existing mandates.³⁸ Iowa Telecom agrees with Western Wireless and CTIA that many carriers located in the CMSAs have had no prior basis for concluding that they might become subject to mandatory LNP and number pooling, and that changing the rules at this stage would be disruptive and expensive if it is done on a short timetable.³⁹ Iowa Telecom therefore agrees with Western Wireless, CTIA, TDS Telecom and NYSTA that outside the largest 100 MSAs, the Commission should target LNP and number pooling deployment to those additional geographic areas where they are needed, due to requests for LNP from competitors or due to numbering shortages.

³⁷ See, e.g., Third NPRM at para. 10 and n. 24.

³⁸ See Western Wireless at 4-7; CTIA at 2 and 5-6.

³⁹ Id.

For these reasons, Iowa Telecom disagrees with the contentions of the National Association of State Utility Consumer Advocates (“NASUCA”), the Iowa Utilities Board, PUCO, CPUC, and the Michigan Public Service Commission (“MPSC”) that LNP and number pooling should be even more widely deployed than is currently planned.⁴⁰ None of their comments offer the Commission with a sound policy basis for justifying the costs and inconveniences of extending LNP and number pooling to CMSAs when such deployment is not strictly necessary due to requests from competitors or numbering shortages. For the reasons already discussed above, it is simply incorrect to claim that “by mandating more carriers be LNP capable, customers will have more choice among carriers,” as the CPUC does in its comments.⁴¹ LNP does not create competition, and can not be justified in the absence of a *bona fide* request from any competitor. Likewise, number portability can not enable individuals to “move freely between carriers without fear of losing their telephone numbers” when there are no CLECs serving an exchange.⁴²

Iowa Telecom similarly opposes the CPUC’s request that the Commission permit state regulators such as itself to extend deployment even “beyond these additional MSAs,” to areas where the CPUC believes that LNP and number pooling “could save significant quantities of numbers.”⁴³ This is an invitation for erratic and arbitrary deployment of LNP and number pooling. As the CPUC must also be aware, this proposal would also allow states to complete an end run around existing number resource

⁴⁰ See Iowa Utilities Board Comments at 2, 4 and 5; CPUC Comments at 3-4 and 15-16; PUCO Comments at 9-10; NASUCA Comments at 6-7; and MPSC Comments at 4-6.

⁴¹ See CPUC Comments at 15-16.

⁴² Id.

⁴³ Id. at 14-15.

conservation procedures, in which the states must coordinate with the North American Numbering Plan Administrator (“NANPA”) and the Commission in implementing number conservation measures. The Commission should not agree to such a delegation of its responsibilities.

Lastly, Iowa Telecom strongly disagrees with the MPUC that limiting LNP and number pooling to the largest 100 MSAs is a “discriminatory policy” since it would restrict the deployment of “advances in telecommunications technology” to urban areas.⁴⁴ Like the CPUC and other commenters that favor expansion outside the largest 100 MSAs, the MPUC is forgetting that the deployment of LNP and number pooling is supposed to be a reaction to a request by a competitor, and does not create competition on its own. It is also not “discriminatory” in any way for the Commission to target LNP and number pooling where it is needed, as is the current policy. In addition, Iowa Telecom reiterates that LNP and number pooling capabilities serve no public interest if they sit unused.⁴⁵

IV. The Commission Must Offer Rural and Two Percent Carriers Meaningful Exemptions From LNP and Number Pooling

A large number of the commenters in this proceeding favor granting rural and two percent carriers serving the largest 100 MSAs some form of exemption from LNP and number pooling.⁴⁶ These comments and proposals would be relatively similar in practice, and demonstrate that unlike other issues there is a broad consensus on granting rural

⁴⁴ See MPUC at 4.

⁴⁵ See Iowa Telecom Comments at 6.

⁴⁶ See Iowa Telecom Comments at 14-15; NECA/NRTA/OPASTCO Comments at 5-6; NTCA Comments at 3-7; USTA at 4; Rural Cellular Association Comments at 5-6; VoiceStream at 3-4; PUCO Comments at 3-4; Independent Companies Comments at 4; NYSTA Comments at 16-17; Mid-Missouri Comments at 12-13.

exemptions. These commentors also favor allowing a larger class of rural and two percent carriers to obtain more generous exemptions from LNP and number pooling than the limited proposal in the Third NPRM.

Should the Commission adopt the Third NPRM's mandatory LNP or number pooling proposals, it is essential that it offer a meaningful exemption to rural and two percent carriers that serve customers within a subject MSA. Carriers in the largest 100 MSAs that qualify as "rural" carriers under the Commission's rules should be exempt from deploying either LNP or number pooling unless and until they receive a LNP request from a competitor, or the NPA is declared to be in jeopardy by the NANPA.⁴⁷

Iowa Telecom therefore opposes the arguments by the CPUC and the PUCO that, instead of an exemption as a matter of national policy, a state regulator should be permitted to exempt individual rural and two percent carriers on a "case-by-case" basis.⁴⁸ Allowing the states to act as gatekeepers to such exemptions would increase the regulatory uncertainty for rural and two percent carriers – especially when state regulators such as the CPUC have essentially announced their hostility to any exemption. Case-by-case exemptions would also increase the compliance costs of rural and two percent carriers that might qualify, since they would have to apply for such waivers, and shepherd them through the state proceedings. Iowa Telecom believes that since such exemptions are justified where there is no request for LNP from any competitor and no need for number pooling, they should simply be automatic, uniform and national.

⁴⁷ See Iowa Telecom Comments at 15; accord, NTCA at 3-7 (rural ILECs that have not received a request for LNP should be exempt from LNP and number pooling requirements); see also AT&T Wireless Comments at 6-7 (to conserve resources, number pooling should only be required in exchanges with more than 3 competing carriers).

⁴⁸ See CPUC Comments at 8-10 and 16-17; PUCO Comments at 3-4.

V. Iowa Telecom's Revised Cost Estimates

Iowa Telecom wishes to revise the estimates it provided in its initial Comments regarding its own costs of implementing LNP and number pooling if the Commission were to mandate deployment in all areas of the largest 100 MSAs.

According to Iowa Telecom's revised estimates, the following expenditures would be necessary to implement the Third NPRM's proposed mandates inside the largest 100 MSAs, based on Iowa Telecom's network configuration of hosts and remotes:

<u>Knoxville, Iowa switch</u> –	
Lacona exchange:	
Liberty Center exchange:	
Martensdale exchange:	
Milo exchange:	
New Virginia exchange:	\$200,000
<u>Newton, Iowa switch</u> –	
Elkhart exchange:	\$200,000
<u>Madrid, Iowa switch</u> –	
Bouton exchange:	\$125,000
<u>Dexter, Iowa switch</u> –	
Dexter exchange:	
Redfield exchange:	
Desoto exchange:	\$215,000
<u>Guthrie Center, Iowa switch</u> –	
Linden exchange:	\$125,000
<u>Avoca, Iowa switch</u> –	
Avoca exchange:	
Minden exchange:	\$235,000

In addition, since the Commission has included the Cedar Rapids MSA in its latest schedule for deploying LNP and number pooling, even though Cedar Rapids is not

one of the largest 100 MSAs,⁴⁹ Iowa Telecom would incur the following expenses in upgrading two exchanges serving that area:

<u>Dewitt, Iowa switch</u> – Lisbon exchange:	\$235,000
<u>Lone Tree, Iowa switch</u> – Central City exchange: Troy Mills exchange: Walker exchange:	\$360,000

Iowa Telecom can not provide an analysis that separates the costs of deploying LNP from the costs of deploying number pooling at this time, assuming that such a separation is even possible. Based on preliminary discussions with its switch vendors and engineers, however, Iowa Telecom strongly doubts that deploying number pooling without LNP would result in significant cost savings, since the underlying LRN-based system upgrades necessary for both LNP and number pooling are the fundamental expense.

⁴⁹ See In the Matter of Number Resource Optimization, Order, DA 02-948 (rel. April 24, 2002); see also Iowa Telecom Comments at 9-10 (requesting that the Commission reconsider the inclusion of the Cedar Rapids MSA on its rollout schedule for number pooling, since Cedar Rapids is neither in the largest 100 MSAs nor is it facing numbering exhaustion).

VI. Conclusion

Iowa Telecom's initial comments showed that there is no compelling public interest justifications for deploying LNP or number pooling in exchanges where there has been neither a portability request nor a number shortage. A majority of the comments in this proceeding agree. If the Commission implements the changes proposed in the Third NPRM, it will waste carriers' resources without benefiting competition or aiding number conservation. As Iowa Telecom demonstrates in its reply comments, a large number of commenters also agree that LNP and number pooling should not be deployed outside the largest 100 MSAs, such as in CMSAs in the absence of a request for LNP. Lastly, Iowa Telecom and other commenters support granting exemptions to rural and two percent carriers where there has not been a request for LNP from any competitor.

Respectfully submitted,

/s/

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